

**Senate Bill No. 191**

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Passed the Senate August 31, 2008

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*Secretary of the Senate*

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Passed the Assembly August 30, 2008

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2008, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add Sections 1771.3, 1771.44, and 1771.45 to the Labor Code, relating to public works.

## LEGISLATIVE COUNSEL'S DIGEST

SB 191, Padilla. Public works: State Public Works Enforcement Fund.

Existing law requires an awarding body, as defined, that chooses to use funds from either the Kindergarten-University Public Education Facilities Bond Act of 2002 or the Kindergarten-University Public Education Facilities Bond Act of 2004 for a public works project to initiate and enforce, or contract with a 3rd party to initiate and enforce a labor compliance program, as defined, for that public works project.

This bill would require specified state agencies or school districts that choose to use the Kindergarten-University Public Education Facilities Bond Act of 2006 or any subsequent education facilities bond act as a source of funds for a public works project to pay a fee levied by the Director of Industrial Relations to cover administrative expenses for the enforcement of prevailing wage and apprenticeship requirements on projects using those funds.

This bill would also require the California High-Speed Rail Authority and any other recipient of funds from the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to pay those administrative fees, if that act is approved by the voters at the statewide general election held on November 4, 2008.

This bill would require all fees collected to be deposited into the State Public Works Enforcement Fund, a special fund this bill would create, and from which moneys would, upon appropriation by the Legislature, be used by the department for purposes, as specified.

This bill would become operative on July 1, 2009.

*The people of the State of California do enact as follows:*

SECTION 1. Section 1771.3 is added to the Labor Code, to read:

1771.3. The State Public Works Enforcement Fund is hereby created as a special fund in the State Treasury. Moneys in the fund shall, upon appropriation by the Legislature, be used by the Department of Industrial Relations for the purposes of administering and enforcing the prevailing wage and apprenticeship requirements applicable to public works pursuant to this chapter and Chapter 4 (commencing with Section 3070) of Division 3, and may not be used or borrowed for any other purpose.

SEC. 2. Section 1771.44 is added to the Labor Code, to read:

1771.44. (a) Notwithstanding any other provision of law, any state agency and school district that chooses to use funds derived from the Kindergarten-University Public Education Facilities Bond Act of 2006 (Chapter 1 (commencing with Section 101000) of Part 69 of Division 14 of the Education Code) or any subsequent education facilities bond act approved by the voters, shall be assessed a fee levied by the Director of Industrial Relations in an amount not to exceed one-quarter of 1 percent of the contracted price of their public works project using such bond funds. The fee shall be set to cover the expenses of the Department of Industrial Relations for administering the prevailing wage and apprenticeship requirements applicable to public works that are attributable to such projects. The State Allocation Board shall increase the grant amount to accommodate the fee amount to the Department of Industrial Relations. The fee shall be paid from project funds that are derived from those bond funds. The director, in consultation with the State Allocation Board, shall adopt reasonable regulations setting forth the amount of the fee, the manner of collection of the fee, and the requirements for agencies and awarding bodies to notify the department of their public works projects. All fees collected pursuant to this subdivision shall be deposited in the State Public Works Enforcement Fund created by Section 1771.3, and shall be used only for enforcement of prevailing wage and apprenticeship requirements on projects using bond funds derived from the Kindergarten-University Public Education Facilities Bond Act of 2006.

(b) A state agency or school district covered by this section shall not administer a labor compliance program or contract with a third party to administer a labor compliance program.

(c) This section shall not apply to any state agency or school district that received final approval of its labor compliance program

from the Department of Industrial Relations on or before January 1, 1997, and chooses to retain its state certified labor compliance program.

(d) Subdivision (a) shall apply to any contract awarded on and after the effective date of this section.

SEC. 3. Section 1771.45 is added to the Labor Code, to read:

1771.45. (a) Notwithstanding any other provision of law, the California High-Speed Rail Authority and any other recipients of funds from the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Chapter 20 (commencing with Section 2704) of Division 3 of the Streets and Highway Code) shall be assessed a fee levied by the Director of Industrial Relations in an amount not to exceed one-quarter of 1 percent of the contracted price of their public works project using such bond funds. The fee shall be set to cover the expenses of the Department of Industrial Relations for administering the prevailing wage and apprenticeship requirements applicable to public works that are attributable to such projects. The fee shall be paid from project funds that are derived from those bond funds. The director shall adopt reasonable regulations setting forth the amount of the fee, the manner of collection of the fee, and the requirements for the awarding bodies to notify the department of their public works projects. All fees collected pursuant to this subdivision shall be deposited in the State Public Works Enforcement Fund created by Section 1771.3, and shall be used only for enforcement of prevailing wage and apprenticeship requirements on projects using bond funds derived from the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

(b) The California High-Speed Rail Authority or any other recipient of funds from the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century covered by this section is not required to administer a labor compliance program or contract with a third party to administer a labor compliance program.

(c) This section shall not apply to any recipient of funds from the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century who is required by federal mandate to operate a labor compliance program.

(d) This section shall become operative only if the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Chapter 20 (commencing with Section 2704) of Division 3 of the

Streets and Highway Code) is approved by the voters at the statewide general election to be held November 4, 2008.

SEC. 4. This act shall become operative on July 1, 2009.





Approved \_\_\_\_\_, 2008

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*Governor*